

ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes-March 11, 2010

Conference Room A, Second Floor, DOA

Call to Order: Chairman Ryan called the meeting to order at 3:45

Members Present: Paul Ryan, Sam Krasnow, Chris Powell, Joe Newsome, Joe Cirillo, Ken Payne and Dan Justynski

Staff Present: Charles Hawkins

Consultants: Scudder Parker, Mike Guerard and Liz Hicks

Others Present: Jeremy Newberger, Tom Teehan, Rachel Henschel, and Abigail Anthony

Acceptance of Minutes: Joe C. made a motion to accept the February 11, 2010 minutes. Joe N. wanted clarification on whether the Council voted to approve the overall budget at the last meeting. Sam K. said that they approved a budget for VEIC, OER and KEMA. Going forward Ken P. felt that any document that is voted on during a Council meeting should be included as an attachment to the minutes so members can access this information. Paul R. agreed. A motion was then made to approve the minutes, seconded by Dan J. and it passed unanimously.

Executive Directors Report and ARRA Update

Ken P. noted that WAP was weatherizing RI homes at a record level (details in Agenda item 5C). Round One of the ARRA Non Utility Scale Renewable Program had 96 applicants and announcement of winners should be made soon. He anticipates a funding rate of 50%. Round Two garnered approximately 120 applications and the Technical Review process has begun.

Good news on RGGI. The 60% portion will be released to NGrid later today. Next NGrid needs to get a 40% plan together to be reviewed by the OER, DEM and the EERMC. Ken then introduced OER Interim Commissioner Ron Renaud.

Ron suggested having the 25 most creative ARRA renewable projects highlighted in an event in the State House Rotunda. It would be a kind of economic forum highlighting the value and innovation of the projects. Get EDC involved and invite the press to show ARRA progress to Assembly members and the general public. Sam K. thought it was a great idea to highlight the use of ARRA money. He also wanted to thank Ron R. and Ken P. for the job the OER did in getting the RGGI money released. This was a huge priority of the Council. Joe N. asked about the timetable for the RGGI 40%. Jeremy N. said NGrid's goal is to have a draft plan by the end of the month. If that happens Ken P. felt that a plan that has been vetted by both DEM & OER could be ready to present to the Council at the April meeting.

OLD BUSINESS

Review of March 3rd Senate Oversight Hearing

Paul R., Ken P., and Jeremy N. all testified at this hearing. Paul R. thought it was a good give and take session. There was concern about the Deepwater project. The higher electric rates brought on by the project will have to be borne in part by low income ratepayers. Sen. Waleska asked the Council and OER to periodically reports to the Senate on what is going on with ARRA, LCP etc. The Senators want to stay in the loop. The questions they posed in writing concerned the status of LCP and the status of distributed generation. RI ranks 9th in the US in energy efficiency by the American Council on Energy Efficient Economy and a weak point is lack of action on distributed generation.

Joe N. cited the unprecedented EE savings next year and wondered how that would impact the average ratepayer. Sam K. said there were two ways; first there was the year end reporting by NGrid; and the second vehicle is the Annual Report when the Council and OER can articulate to the Assembly and the public the benefits of LCP & EE.

VEIC Work Plan Report

VEIC reported on their activities in the first quarter of 2010 as is

required by their contract status. Paul R. asked about the status of the RFP for consultants. Ken P. said that the OER had not issued it yet and that it would take a couple of months and until then VEIC should continue as it had been.

Paul R. asked for a motion to extent the VEIC contract for another two months. Joe C. made the motion, it was seconded by Chris P. and passed unanimously.

Sam K. asked VEIC to elaborate on Point 5 on innovative finance solutions. Scudder P. said that Betsey Harper and Mike G. were working on a report on residential finance plans that they would present at the next DSM Collaborative Sub-Committee meeting. Sam K. then asked if VEIC would have something to present at the April EERMC meeting. Scudder proposed a status report on the SR plan. The Council then went off the agenda and started discussing Agenda Item 5a.

System Reliability (SR) Sub-Committee Report

The SR Sub-Committee, consisting of Chris P., Abigail A., Scudder P., Sam K. and two engineers from NGrid, met earlier in the day. Abigail A. gave a brief report on progress to date. She mentioned a letter to the PUC to update them on SR. It will detail how the \$400,000 in funding that has been allotted will be spent.

Discussions centered on how to integrate EE and distributed generation into SR. Abigail listed 3 tasks the SR Sub-Committee were undertaking:

- Develop planning principles, including combining wire and non-wire solutions, that solve cost constraints most effectively. They have set a 9/10 date for a draft.
- Develop an analytic tool that measures cost benefit for all components of SR not just infrastructure and show the potential for EE.
- Work on a revised SR Plan, that builds and improves on the one submitted in 10/08, by using the above new analytical tool.

Chris P. wants to get to the total economic benefit for all RI consumers. There are a lot of uncertainties about the effect of EE on SR and this report will be a first cut at that. Ken P. felt that the SR Sub-committee was doing good work and was on course. Chris P. made a motion to officially move agenda item 5A up on the agenda. Joe C. seconded it and it passed unanimously.

Update on the KEMA Phase Two Opportunity Report

Liz Hick from KEMA was in attendance to present an update on the Phase 2 Opportunity Report. KEMA is currently conducting an in-depth on-site residential survey to look at technical, economic and program achievable potential. On the C&I side, two more major on-site surveys remain; one at Brown and one at either Toray or Amgen.

Ken P. mentioned that he need to draft an ARRA RFP for over \$5M in the SEP C&I program for EE and would appreciate any input from KEMA on C&I EE trends. It was mentioned that many C&Is were doing EE improvements for things that were not rebated. It was also mentioned that LED lighting and interaction with the Smart Grid are also on the cutting edge of C&I EE. Dan J. mentioned that on the EE side C&I plants also look at co-gen. He mentioned that it can cost up to \$40,000 to fund an EE study for a large plant.

May Educational Seminar on Energy Supply/Use

It was mentioned that CCRI graduation was on the night before the proposed 5/22 date. The plan is to have a 3 hour morning seminar that begins with a plenary session, followed by breakouts, with another plenary session to conclude.

With only 3 hours Paul R. said he would like to focus on the big picture issues with less detail. Joe N. said that many people don't understand energy issues. Ken P. said this is a good opportunity to educate the public about basic energy issues. No one else is looking at a comprehensive view of where RI energy comes from and how it gets used. Dan J. would like to demonstrate how in the long run an Energy Star appliance can save money for a household in the long run despite in initial higher cost. Show how the lower up-front cost actually just lead to a higher energy bill.

Joe N. sees it as a general overview for activists; and also a way to introduce the public to who the EERMC are. He felt that a special planning meeting was needed for staff and members. It will be a work session before the next meeting.

It is important for people to realize where there energy comes from. Where does RI get oil & natural gas? This should be part of the presentation. Sam K. would include a presentation on what is the EE resource. How big is it? Where is it? How do we get at it? Jeremy N. said that if the Council needs a NGrid speaker for the event please let him know in advance. Paul R. sees the forum a first step for the Council.

NEW BUSINESS

Outline of the Annual Report

Paul R. opined that the Assembly is going to want a more complete and comprehensive report this year. An outline, prepared by OER staff, was distributed as a starting point. It gives a rundown of what the Council did last year. It can be used as a foundation by the Council to expand on. Paul R. suggested a group consisting of himself, OER Staff, VEIC, NGrid and Abigail Anthony work on the report.

Joe N. sees it as a chance to make recommendations to the Assembly. Sam K. said that if the above group really worked hard in the next few weeks something can be ready for the April meeting. He would like to included graphs, photos and charts. The production budget is the missing piece. How many copies? Should it be a bound copy? How much would it cost to produce and format a document to be distributed to the public, the Assembly and relevant state agencies. There is a surplus in the budget that can be used for production.

Sam K. suggested setting up a time where the working group can meet. Paul R. suggested a conference call next week and a work session in about 10 days. It was agreed to have a special meeting on the work plan and post it on the SOS Open Meetings site. A discussion ensued about what day to have the work session. March 25th was proposed at 3:30. Sam K. said a phone call before was needed. Scudder P. said it was the Council's statutory responsibility to offer suggestions to the Assembly in the policy and regulatory realm about energy and they should use this vehicle to do it. Sam K. suggested a paragraph about an efficiency program for home heating oil. Scudder P. brought up LCP for gas customers and also to integrate smart grid applications into EE.

Chris P. wanted to see what other states are doing with there smart grid ARRA funding because RI did not get any. Scudder said that VEIC would be willing to draft a document to e-mail to members on

the subject. As a process, VEIC will prepare a list of ideas to distribute before the conference call. NGird will participate and provide a town by town breakdown of EE efforts. The conference call will be held at 3:30 on 3/17 and Sam K. will set up the call. A work session meeting will be held at 3:30 on Thursday March 25th.

A discussion followed about the printing budget and how many copies should be printed. It was decided that 500 copies were needed and Joe N. suggested putting it on the EERMC website. Chris P. mentioned that he can never find the site. Paul wants to get it back up.

Low Income Weatherization

The OER is weatherizing homes at a record level. In 2007, 97 homes were Weatherized each month on average, in 2008 the average was 93. During the first half of 2009 the OER averaged 112 weatherizations a month and in the second half this number rose to 150 a month. This is record number. The OER had not been using ARRA money in 2009 but money from other WAP sources to do this work. Now ARRA money is being utilized and at the current rate the OER will exceed the ARRA goal of 128 households a month.

PUBLIC COMMENT

Jeremy Newberger said that the two NGrid representatives on the

Council, Ron Gerwatowski and Tim Stoud were both departing. He wanted to know if NGrid could appoint their successors. Paul R. asked Ken P. if non-voting members had to be appointed by the Governor. Ken P. said they were ex-officio, and they probably had to be appointed first by the entity they represent. Paul R. wanted to just get it done. Sam K. wanted to draft Jeremy N.

Joe N. made a motion to have Paul R. draft a letter on behalf of the council thanks both Ron G. and Tim S. for their efforts on the Council's behalf. It was seconded by Sam K. and passed unanimously. Dan J. made a motion to adjourn the meeting, it was seconded by Joe C and passed unanimously at 5:50 PM

Respectfully submitted

Charles Hawkins

Secretary Pro-tempore